

UNITED WAY OF GREATER HIGH POINT, INC.
High Point, North Carolina

INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

As of and for the Years Ended
June 30, 2025 and 2024

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Turlington and Company, L.L.P.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
United Way of Greater High Point, Inc.
High Point, North Carolina

Opinion

We have audited the financial statements of United Way of Greater High Point, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of United Way of Greater High Point, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Way of Greater High Point, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Greater High Point, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United Way of Greater High Point, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United Way of Greater High Point, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Women in Motion departmental financial statement on pages 19 - 23 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jurlington and Company, L.L.P.

Winston-Salem, North Carolina
October 16, 2025

UNITED WAY OF GREATER HIGH POINT, INC.

STATEMENTS OF FINANCIAL POSITION

	June 30	
	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 417,216	\$ 705,213
Short-term cash investments	68,694	73,003
Investments in marketable securities	4,426,539	3,743,455
Accounts receivable	7,968	8,728
Campaign pledges receivable, current	1,531,828	1,422,654
Prepaid expenses	20,135	18,486
	<u>6,472,380</u>	<u>5,971,539</u>
Noncurrent assets:		
Campaign pledges receivable, noncurrent	437,196	631,346
Property and equipment, net	651,705	678,666
Operating lease right of use assets	78,379	98,134
	<u>1,167,280</u>	<u>1,408,146</u>
 Total assets	 <u>\$ 7,639,660</u>	 <u>\$ 7,379,685</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Operating lease obligations, current	\$ 22,791	\$ 22,133
Accounts payable	18,791	60,609
Accrued liabilities	4,522	5,085
Campaign designations payable	409,485	428,639
	<u>455,589</u>	<u>516,466</u>
Noncurrent liabilities:		
Operating lease obligations, noncurrent	52,751	73,164
	<u>508,340</u>	<u>589,630</u>
Net assets:		
Without donor restrictions	3,338,754	2,902,302
With donor restrictions	3,792,566	3,887,753
	<u>7,131,320</u>	<u>6,790,055</u>
 Total liabilities and net assets	 <u>\$ 7,639,660</u>	 <u>\$ 7,379,685</u>

The accompanying notes are an integral part of the financial statements

UNITED WAY OF GREATER HIGH POINT, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenues:			
Campaign results		\$ 3,698,159	\$ 3,698,159
Provision for uncollectible campaign pledges		(199,856)	(199,856)
Designations		(444,996)	(444,996)
Net campaign revenue		<u>3,053,307</u>	<u>3,053,307</u>
Sponsorships and contributions	\$ 20,570	210,315	230,885
Grant income	216,546	61,545	278,091
Contributions of nonfinancial assets	35,577		35,577
Investment return	312,043	144,332	456,375
Miscellaneous income	104,705		104,705
Service fee income	6,200		6,200
Net assets released from restrictions by time	3,077,545	(3,077,545)	-
Net assets released from restrictions by use	487,141	(487,141)	-
Total public support, revenues, and reclassifications	<u>4,260,327</u>	<u>(95,187)</u>	<u>4,165,140</u>
Expenses:			
Program services:			
Community Impact	2,592,177		2,592,177
Women in Motion	163,696		163,696
Total program services	<u>2,755,873</u>		<u>2,755,873</u>
Supporting services:			
Resource development	636,473		636,473
Management and general	431,529		431,529
Total supporting services	<u>1,068,002</u>		<u>1,068,002</u>
Total expenses	<u>3,823,875</u>		<u>3,823,875</u>
Change in net assets	436,452	(95,187)	341,265
Net assets at beginning of year	<u>2,902,302</u>	<u>3,887,753</u>	<u>6,790,055</u>
Net assets at end of year	<u>\$ 3,338,754</u>	<u>\$ 3,792,566</u>	<u>\$ 7,131,320</u>

The accompanying notes are an integral part of the financial statements

UNITED WAY OF GREATER HIGH POINT, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenues:			
Campaign results		\$ 4,803,918	\$ 4,803,918
Provision for uncollectible campaign pledges		(182,912)	(182,912)
Designations		(522,368)	(522,368)
Net campaign revenue		4,098,638	4,098,638
Sponsorships and contributions		183,166	183,166
Grant income	\$ 4,010	35,000	39,010
Contributions of nonfinancial assets	50,687		50,687
Investment return	218,879	140,902	359,781
Miscellaneous income	86,856		86,856
Service fee income	4,726		4,726
Net assets released from restrictions by time	2,878,561	(2,878,561)	-
Net assets released from restrictions by use	476,337	(476,337)	-
Total public support, revenues, and reclassifications	<u>3,720,056</u>	<u>1,102,808</u>	<u>4,822,864</u>
Expenses:			
Program services:			
Community Impact	2,536,651		2,536,651
Women in Motion	130,179		130,179
Total program services	<u>2,666,830</u>		<u>2,666,830</u>
Supporting services:			
Resource development	586,748		586,748
Management and general	448,543		448,543
Total supporting services	<u>1,035,291</u>		<u>1,035,291</u>
Total expenses	<u>3,702,121</u>		<u>3,702,121</u>
Change in net assets	17,935	1,102,808	1,120,743
Net assets at beginning of year	<u>2,884,367</u>	<u>2,784,945</u>	<u>5,669,312</u>
Net assets at end of year	<u>\$ 2,902,302</u>	<u>\$ 3,887,753</u>	<u>\$ 6,790,055</u>

The accompanying notes are an integral part of the financial statements

UNITED WAY OF GREATER HIGH POINT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program Services			Supporting Services			Totals
	Community Impact	Women in Motion	Total Program Services	Resource Development	Management and General	Total Supporting Services	
Salaries and wages	\$ 130,408	\$ 42,266	\$ 172,674	\$ 299,228	\$ 212,722	\$ 511,950	\$ 684,624
Employee benefits	34,264	5,141	39,405	79,973	54,251	134,224	173,629
Payroll taxes	9,990	3,257	13,247	22,598	16,083	38,681	51,928
Agency allocations	1,960,159		1,960,159			-	1,960,159
Special projects	297,299	10,000	307,299			-	307,299
Information technology	33,545	10,908	44,453	64,340	37,517	101,857	146,310
Dues and subscriptions	12,094	3,374	15,468	27,419	20,216	47,635	63,103
Office expense	5,816	2,528	8,344	15,179	27,063	42,242	50,586
Processing fees	64,567		64,567		32	32	64,599
Supplies, services, and space - noncash			-	35,577		35,577	35,577
Professional fees	2,782	765	3,547	6,247	25,650	31,897	35,444
Occupancy	15,984	3,221	19,205	25,894	15,590	41,484	60,689
Meetings and events	7,024	64,136	71,160	14,274	2,104	16,378	87,538
Depreciation	8,824	1,521	10,345	12,475	7,607	20,082	30,427
Printing and publications	308	1,115	1,423	11,599	601	12,200	13,623
Insurance	570	171	741	1,341	3,387	4,728	5,469
Advertising and promotions	1,042	11,434	12,476	3,953	30	3,983	16,459
Travel	1,155	2,309	3,464	3,994	270	4,264	7,728
Lease expense	6,246	1,354	7,600	10,862	6,443	17,305	24,905
Staff development	100	196	296	1,520	1,963	3,483	3,779
Total	\$ 2,592,177	\$ 163,696	\$ 2,755,873	\$ 636,473	\$ 431,529	\$ 1,068,002	\$ 3,823,875

The accompanying notes are an integral part of the financial statements

UNITED WAY OF GREATER HIGH POINT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program Services			Supporting Services			Totals
	Community Impact	Women in Motion	Total Program Services	Resource Development	Management and General	Total Supporting Services	
Salaries and wages	\$ 150,826	\$ 33,172	\$ 183,998	\$ 248,993	\$ 208,530	\$ 457,523	\$ 641,521
Employee benefits	33,101	4,253	37,354	69,333	52,310	121,643	158,997
Payroll taxes	11,582	2,548	14,130	19,067	27,616	46,683	60,813
Agency allocations	1,868,142		1,868,142			-	1,868,142
Special projects	301,866	10,000	311,866			-	311,866
Information technology	35,778	8,924	44,702	59,236	39,964	99,200	143,902
Dues and subscriptions	12,313	2,628	14,941	25,018	17,263	42,281	57,222
Office expense	4,323	2,965	7,288	18,322	23,105	41,427	48,715
Processing fees	70,844		70,844	100	68	168	71,012
Supplies, services, and space - noncash			-	50,687		50,687	50,687
Professional fees	10,853	2,467	13,320	22,300	39,369	61,669	74,989
Occupancy	13,788	2,241	16,029	17,480	11,294	28,774	44,803
Meetings and events	5,096	47,818	52,914	12,195	3,634	15,829	68,743
Depreciation	8,784	1,417	10,201	11,051	7,084	18,135	28,336
Printing and publications	386	1,730	2,116	11,752	2,433	14,185	16,301
Insurance	659	150	809	1,349	3,357	4,706	5,515
Advertising and promotions	1,000	7,618	8,618	4,676	2,500	7,176	15,794
Travel	1,331	426	1,757	3,465	724	4,189	5,946
Lease expense	5,979	1,185	7,164	10,145	6,409	16,554	23,718
Staff development		637	637	1,579	2,883	4,462	5,099
Total	\$ 2,536,651	\$ 130,179	\$ 2,666,830	\$ 586,748	\$ 448,543	\$ 1,035,291	\$ 3,702,121

The accompanying notes are an integral part of the financial statements

UNITED WAY OF GREATER HIGH POINT, INC.

STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 341,265	\$ 1,120,743
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	30,427	28,336
Allowance for uncollectible pledges receivable	23,605	(27,560)
Realized and unrealized gains on securities	(306,494)	(290,199)
Changes in assets and liabilities:		
Accounts receivable	760	(3,093)
Campaign pledges receivable	61,371	(585,023)
Prepaid expenses	(1,649)	171,062
Accounts payable and accrued expenses	(42,381)	37,174
Designations payable	(19,154)	(609)
Operating lease obligations	-	(2,837)
Net cash provided by operating activities	<u>87,750</u>	<u>447,994</u>
Cash flows from investing activities:		
Purchases of marketable securities	(1,462,247)	(811,578)
Proceeds from the sale of marketable securities	1,085,657	794,777
Purchase of property and equipment	(3,466)	(33,050)
Net cash used for investing activities	<u>(380,056)</u>	<u>(49,851)</u>
Net increase (decrease) in cash and cash equivalents	<u>(292,306)</u>	<u>398,143</u>
Cash and cash equivalents at beginning of years:		
Cash and cash equivalents	705,213	306,269
Short-term cash investments	73,003	73,804
	<u>778,216</u>	<u>380,073</u>
Cash and cash equivalents at end of years:		
Cash and cash equivalents	417,216	705,213
Short-term cash investments	68,694	73,003
	<u>\$ 485,910</u>	<u>\$ 778,216</u>
Supplemental noncash activity:		
Operating lease obligations arising from obtaining operating lease right of use assets		<u>\$ 97,810</u>

The accompanying notes are an integral part of the financial statements

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended June 30, 2025 and 2024

1. Nature of Operations:

The United Way of Greater High Point, Inc. (the Organization), a North Carolina non-profit corporation, emphasizes broad citizen involvement to seek and provide financial, volunteer, and professional resources to effectively and efficiently meet human needs in the communities of High Point, Jamestown, Archdale, and Trinity, North Carolina. Its mission is to bring together people, resources, and funding to build strong and vibrant communities where everyone has the opportunity to thrive.

2. Summary of Significant Accounting Policies:

These financial statements were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, with the more significant of these principles described as follows:

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; these restrictions will be met by the Organization's actions or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for uncollectible pledges and allocation of functional expenses.

Program Services

The Organization's program services consist of the following:

Community Impact - The Organization brings together people, resources, and funding to build strong and vibrant communities where everyone has the opportunity to thrive by providing financial grants to its partner agencies and through certain outreach programs. These programs include, but are not limited to, the following: financial literacy classes provided to the public; an African-American initiative group established to provide and support opportunities that engage and promote growth and development in minority and under-served communities; a gift of warmth program that provides heaters to families in the High Point community each winter; a backpack program that provides weekend, holiday, and summer meals for elementary school students in High Point, Jamestown, Archdale and Trinity; and a free book exchange program for children.

Women in Motion - Promotes leadership, professional success, personal wellness, and financial independence of women in High Point, Jamestown, Archdale, and Trinity.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (Continued):

Cash and Cash Equivalents

Cash and cash equivalents, as stated for cash flow purposes, include cash and all highly liquid investments that have an original maturity of 90 days or less and which are not subject to withdrawal restrictions.

Short-Term Cash Investments

Short-term cash investments include cash and all highly liquid investments that have an original maturity of 90 days or less and are held in investment accounts that are subject to withdrawal restrictions.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected after three years are written off unless the donors indicate that payment is merely postponed.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

The Organization's investment policy states that the overall investment objective is to maximize return on the assets consistent with the fiduciary character of the funds. The Organization considers implementation of investment strategies that involve a reasonable variability of the returns within asset class and diversification across investment markets. The assets of the investment portfolio are comprised of fixed income, equity, alternative investments, and cash and cash equivalents. The target allocation at June 30, 2025 is 40% fixed Income, 50% equity, 5% alternative investments, and 5% cash and cash equivalents, with allowable ranges of 30-50% in fixed income, 40-60% in equity, 0-15% in alternatives investments and 0-15% in cash and cash equivalents. These investment objectives are reviewed by the Investment Committee at least annually for their continued appropriateness.

In the event the Organization enters a state of emergency as determined by the Finance and/or Investment committee, the committee reserves the right to instruct the investment manager to deviate from the long-term investment targets to provide for projected cash flow needs of the Organization. The committee will review the allocation and the state of emergency status no less than every 90 days to determine the appropriate time to authorize the investment manager to rebalance to targeted long-term investment allocations.

The funds held at the High Point Community Foundation consist of assets designated by two donors as being for permanent investment. The earnings are to be used for "strengthening individuals and families" and "improving lives of children and youth." Designated disbursements from each fund are to be made annually to the United Way of Greater High Point, Inc.'s annual fundraising campaign. Since these assets are seen as long-term investments, they do not follow the policy listed above in terms of target allocations set by the Organization's investment committee.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (Continued):

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three (3) to thirty-nine (39) years.

Donations of property and equipment are recorded as support at their estimated fair value on date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor restrictions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Revenue Recognition

The Organization accounts for revenue from exchange transactions in accordance with ASC 606, *Revenue from Contracts with Customers*. Revenue from member services, sponsorships and related activities is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. This generally occurs at a point in time once the service benefits have been transferred to the recipient. Revenue received in advance is deferred and recognized as the related performance obligations are satisfied. These amounts are included in contract liabilities within the statements of financial position. Revenue recognized from the satisfaction of performance obligations prior to receipt of payment are recognized as contract assets in the statements of financial position. The Organization had neither contract liabilities nor contract assets related to its contracts with customers at June 30, 2025, June 30, 2024, or July 1, 2023.

Contribution Accounting

The Organization accounts for contributions, including contributions related to its annual fundraising campaigns, in accordance with ASC 958-605, *Accounting for Contributions Received and Contributions Made*. Contributions, including unconditional promises to give, are recognized as income in the period that the pledge is received. Contributions received are recorded as an increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated services are recognized in the financial statements if the services (1) create or enhance nonfinancial assets or require specialized skills, (2) are provided by individuals possessing those skills, and (3) would typically need to be purchased if not provided by donation. See Note 10 for additional information regarding contributed services meeting these criteria that were received by the Organization during the years ended June 30, 2025 and 2024.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies (Continued):

Functional Allocation of Expenses (Continued)

Directly identifiable expenses are charged to the appropriate programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on estimates made by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Organization uses advertising to promote its program among the audiences it serves. These advertising costs are expensed as they are incurred. Advertising costs totaled \$16,459 and \$15,794, respectively, for the years ended June 30, 2025 and 2024.

Leases

The Organization accounts for its leasing activities in accordance with ASC 842, *Leases*. Under ASC 842, all leases, with limited exceptions, are recognized in the statements of financial position as right of use assets and related lease obligations. The Organization classifies its leases as either operating leases or finance leases depending on the nature and terms of the agreements. Operating lease expense is recognized on a straight-line basis over the lease term whereas finance lease expense includes components of interest related to the accretion of the finance lease liability, and amortization related to the finance lease right of use assets. The Organization has elected to apply the short-term lease exception whereby right of use assets and lease obligations pertaining to leases with an original term of less than twelve months are not reflected in the statements of financial position. See Note 15 for additional information regarding the Organization's leasing activities.

3. Concentration of Credit Risk:

The Organization places its cash and cash equivalents on deposit with financial institutions insured by the Federal Deposit Insurance Corporation. Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total is insured up to at least \$250,000. During the years, the Organization from time to time may have had amounts on deposit in excess of the insured limit. As of June 30, 2025, the Organization's deposits were fully insured.

The Organization invests in various securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such change could materially affect the amounts reported in the financial statements. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

4. Income Taxes:

The Organization is exempt from income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code.

The Organization has determined that it has no uncertain income tax positions as of June 30, 2025 and 2024. Also, the Organization does not anticipate any increase or decrease in unrecognized tax benefits during the next twelve months that would result in a material change to its financial position. The Organization files information returns only, and its returns for years ended after June 30, 2022 remain open for examination.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

5. Liquidity and Availability of Resources:

The Organization's financial assets that are available for general expenditures within one year of June 30, 2025 and 2024 are as follows:

	2025	2024
Financial assets available within one year:		
Cash and equivalents	\$ 417,216	\$ 705,213
Short-term cash investments	68,694	73,003
Investments in marketable securities	4,426,539	3,743,455
Accounts receivable	7,968	8,728
Campaign pledges receivable, current	1,531,828	1,422,654
Total financial assets available within one year	6,452,245	5,953,053
Less, amounts unavailable for general expenditures within one year due to:		
Donor-imposed time and purpose restrictions	3,355,370	3,256,407
Campaign designations to specified agencies	409,485	428,639
	3,764,855	3,685,046
Less, amounts unavailable for general expenditures within one year due to board designations as follows:		
Board designated for building maintenance	70,456	64,017
Total financial assets available to management for general expenditure within one year	\$ 2,616,934	\$ 2,203,990

The Organization holds cash and investments that are subject to donor-imposed restrictions. These funds are not available for general expenditure.

The board-designated building maintenance fund is restricted to expenditures for maintaining the building. There is no spending rate limit on this fund. Although the Organization does not intend to spend from this board-designated fund (other than for appropriate building related expenditures); however, these amounts could be made available if necessary.

As part of a liquidity management plan, cash in excess of daily requirements is invested in fixed income, equity, alternative investments, and cash and cash equivalents. Investment managers must provide that liquidity can be provided within trade date plus three days settlement for a minimum of 5% of the investment portfolio. This liquidity provision is not designed to eliminate the market risk of the portfolio, but to provide that liquidity can be provided in a timely manner if desired by the Organization.

6. Annual Campaign and Campaign Pledges Receivable:

The Organization's annual campaign is conducted to raise support to invest in community program services and strategic initiatives. By the end of June of each year, the Organization reports the total estimated annual campaign funds raised to the public. Actual results may differ from the publicly reported estimated amounts due to various factors, including timing differences related to multi-year pledges and receipts for future campaigns. The calendar year 2025 and 2024 commitments to programs and agencies are based on the results of the fall and winter 2024 and 2023 campaigns and are reflected as Community Impact expense in the statements of activities for the years ended June 30, 2025 and 2024. Donor-designated gifts received through the annual campaigns totaled \$444,996 and \$522,368, respectively, for the years ended June 30, 2025 and 2024.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

6. Annual Campaign and Campaign Pledges Receivable (Continued):

A summary of campaign pledges receivable is as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Campaign pledges receivable	\$ 2,504,545	\$ 2,621,766
Less, allowance for uncollectible campaign pledges	472,717	449,112
Less, present value discount on multi-year pledges	62,804	118,654
	<u>\$ 1,969,024</u>	<u>\$ 2,054,000</u>
Amounts due within:		
Less than one year	\$ 2,004,545	\$ 1,871,766
One to five years	500,000	750,000
	<u>\$ 2,504,545</u>	<u>\$ 2,621,766</u>

Campaign pledges written off totaled \$174,953 and \$210,497, respectively, for the years ended June 30, 2025 and 2024.

7. Property and Equipment:

The components of property and equipment were as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Building and related improvements	\$ 699,252	\$ 699,252
Office furniture and equipment	234,770	249,020
	934,022	948,272
Less, accumulated depreciation	282,317	269,606
	<u>\$ 651,705</u>	<u>\$ 678,666</u>

8. Investment in Marketable Securities:

Investments in marketable securities, stated at fair market value, consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Mutual funds:		
Equity funds	\$ 2,623,810	\$ 2,248,243
Fixed income funds	1,609,110	1,301,733
Hedge funds	161,032	159,732
Commodity funds	32,587	33,747
	<u>\$ 4,426,539</u>	<u>\$ 3,743,455</u>

Investment return related to these securities consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest, net	\$ 101,592	\$ 69,582
Realized gain on sales of securities	146,545	39,478
Unrealized market appreciation	159,949	250,721
	<u>\$ 408,086</u>	<u>\$ 359,781</u>

Dividend and interest income is net of investment advisory fees totaling \$28,679 and \$25,017, respectively, for the years ended June 30, 2025 and 2024.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

9. Beneficial Interest in Assets Held by Community Foundation:

United Way of Greater High Point, Inc. established a fund that is perpetual in nature (the Fund) under a community foundation. The Fund is intended to be an agency fund arising from a reciprocal transaction because the Organization, as transferor, has specified itself as the sole Fund beneficiary and the community foundation has recorded a corresponding liability for all assets held within the Fund. The Organization has sole authority to advise the community foundation as to distributions from the Fund in accordance with the instructions of its Board of Directors. The Fund is held and invested by the community foundation for the Organization's benefit, and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

The Fund assets are included in investments in marketable securities in the accompanying statements of financial position and consisted of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Short-term investments	\$ 24,236	\$ 39,031
Mutual funds:		
Equity funds	991,861	890,233
Fixed income funds	245,582	240,438
Hedge funds	161,032	159,732
Commodity funds	32,587	33,747
	<u>\$ 1,455,298</u>	<u>\$ 1,363,181</u>

A schedule of activity within the Fund for the years ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Beginning balances	\$ 1,363,181	\$ 1,275,860
Investment return, net	144,332	140,902
Distributions	(52,216)	(53,581)
Ending balances	<u>\$ 1,455,297</u>	<u>\$ 1,363,181</u>

10. Contributions of Nonfinancial Assets:

The Organization has recorded contributions of nonfinancial assets related to certain donated event space, services, and goods that were utilized by the Organization's supporting services. There were no donor-imposed restrictions associated with these contributions. Donated event space is valued at the estimated fair market value of similar event space rentals in the area. Donated goods are valued at the wholesale prices that would be received for selling similar products. Donated services are valued at the estimated cost of those services if purchased in the open market. A summary of these contributed nonfinancial assets is as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Donated goods	\$ 32,769	\$ 31,361
Donated services	2,808	11,820
Donated event space	-	7,506
	<u>\$ 35,577</u>	<u>\$ 50,687</u>

11. Fair Value Measurement:

The accounting guidance for fair value measurements establishes a fair value hierarchy to prioritize the inputs of valuation techniques used to measure fair value. Outlined below is the application of the fair value hierarchy established by the accounting guidance for fair value measurement to the Organization's assets that are carried at fair value:

- Level 1 - Inputs to the valuation methodology are quoted prices for identical assets in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets in active markets and significant other observable inputs.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

11. Fair Value Measurement (Continued):

Assets measured at fair value on a recurring basis at June 30, 2025 and 2024 were as follows:

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2025</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities:				
Mutual funds:				
Equity funds	\$ 2,623,810	\$ 2,623,810		
Fixed income funds	1,609,110	1,609,110		
Hedge funds	161,032	161,032		
Commodity funds	32,587	32,587		
	<u>\$ 4,426,539</u>	<u>\$ 4,426,539</u>		
<u>Description</u>	<u>Assets at Fair Value as of June 30, 2024</u>			
<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Equity securities:				
Mutual funds:				
Equity funds	\$ 2,248,243	\$ 2,248,243		
Fixed income funds	1,301,733	1,301,733		
Hedge funds	159,732	159,732		
Commodity funds	33,747	33,747		
	<u>\$ 3,743,455</u>	<u>\$ 3,743,455</u>		

The Organization's equity securities are measured at fair market value through reference to quoted market prices for identical assets in active markets. There were no significant transfers in or out of Levels 1, 2, or 3 during the years ended June 30, 2025 and 2024.

12. Employee Benefit Plan:

The Organization maintains a thrift plan for eligible employees which qualifies under Section 403(b) of the Internal Revenue Code. The Plan allows participants to contribute up to 25% of their compensation. Total contributions by the Organization to the Plan were \$47,899 and \$42,300, respectively, for the years ended June 30, 2025 and 2024.

13. Payments to Affiliated Organizations:

The Organization is an affiliate member of United Way Worldwide and United Way of North Carolina. Dues payments made to these affiliated organizations were as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
United Way Worldwide	\$ 43,129	\$ 39,843
United Way of North Carolina	12,552	12,715
	<u>\$ 55,681</u>	<u>\$ 52,558</u>

14. Net Assets:

Net assets without donor restrictions consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 3,268,298	\$ 2,838,285
Board designated:		
Building maintenance	70,456	64,017
	<u>\$ 3,338,754</u>	<u>\$ 2,902,302</u>

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

14. Net Assets (Continued):

A summary of net assets with donor restrictions is as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Time restricted	\$ 1,540,821	\$ 1,868,345
Purpose restricted:		
Backpack program	102,918	47,289
Women in Motion	357,550	290,328
Project Board Development	5,774	8,610
Services for children and families	1,456,805	1,364,689
CAN-Paign food drive	122,302	154,387
Miscellaneous programs	206,396	154,105
	<u>\$ 3,792,566</u>	<u>\$ 3,887,753</u>

Net assets with donor restrictions includes \$1,000,000 of investments in marketable securities that are to be held in perpetuity. These assets are included in the services for children and families program and have been designated by donors as being for permanent investment.

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time specified by the donors as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions	\$ 3,077,545	\$ 2,878,561
Satisfaction of purpose restrictions:		
Backpack program	124,752	190,920
Women in Motion	145,289	115,588
Project Board Development	2,915	2,239
Services for children and families	52,216	53,581
CAN-Paign food drive	98,865	84,447
Miscellaneous programs	63,104	29,562
	<u>\$ 3,564,686</u>	<u>\$ 3,354,898</u>

15. Leases:

The Organization leases certain office equipment under agreements that qualify as operating leases under ASC 842. The lease agreements provide for fixed payments ranging from \$279 to \$1,784 per month over fixed original terms ranging from 60 to 63 months. These lease agreements do not include renewal or extension options that the Organization is reasonably expected to exercise. At lease inception, the Organization used its incremental borrowing rate in discounting future minimum lease payments to present value.

Total lease costs were comprised of operating lease expense and totaled \$24,905 and \$23,718, respectively, for the years ended June 30, 2025 and 2024.

Future minimum payments under these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2026	\$ 24,756
2027	24,756
2028	21,408
2029	7,136
Total lease payments	78,056
Less, present value discount	2,514
	<u>\$ 75,542</u>

UNITED WAY OF GREATER HIGH POINT, INC.

NOTES TO FINANCIAL STATEMENTS

15. Leases (Continued):

A summary of the Organization's weighted average remaining lease term and discount rate for its operating leases are as follows at June 30, 2025 and 2024:

	2025	2024
Weighted average remaining lease term	3.27 years	4.30 years
Weighted average discount rate	3.25%	3.25%

16. Overhead Ratio:

The overhead ratio is equal to fundraising, management, and general expenses divided by total campaign support and all other revenue sources. The ratio is calculated below using the gross method recommended by United Way Worldwide in Functional Expenses and Overhead Reporting Guidelines for United Ways. The overhead ratio for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Numerator:		
Supporting services and general	<u>\$ 1,068,002</u>	<u>\$ 1,035,291</u>
Denominator:		
Total support and other revenue	4,165,140	4,822,864
Allowance for uncollectible pledges	199,856	182,912
Amounts designated for specific agencies	444,996	522,368
Net investment return	(456,375)	(359,781)
Events and rental income	(14,450)	(10,576)
	<u>\$ 4,339,167</u>	<u>\$ 5,157,787</u>
Numerator/denominator expressed as a percentage	<u>24.61%</u>	<u>20.07%</u>

17. Employee Retention Tax Credit:

During the year ended June 30, 2022, the Organization determined that it was eligible for certain refund claims from the Internal Revenue Service (IRS) related to the employee retention tax credit (ERTC). These claims totaled \$194,616 and were formally submitted to the IRS in August 2023. The ERTC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages that was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Organization has accounted for the ERTC as a conditional grant. While the conditions related to recognition are generally satisfied after eligibility determination and incurrence of the related personnel costs, the Organization elected to not yet recognize the ERTC amounts in its financial statements due to the ongoing uncertainty regarding ultimate collectability. During the year ended June 30, 2025, these amounts were collected in full and are reflected in "Grant income" in the accompanying statements of activities.

18. Reclassification:

Certain items in the June 30, 2024 financial statements have been reclassified to conform to the June 30, 2025 financial statement presentation.

19. Subsequent Events:

The Organization's management has evaluated all subsequent events through October 16, 2025, the date the financial statements were available to be issued. No events have been identified that would require adjustments of or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

WOMEN IN MOTION
(A Department of United Way of Greater High Point, Inc.)

STATEMENTS OF FINANCIAL POSITION

		June 30	
		<u>2025</u>	<u>2024</u>
ASSETS			
Current assets:			
Cash and cash equivalents		\$ 368,184	\$ 291,842
Sales tax refunds receivable		2	-
		<u>368,186</u>	<u>291,842</u>
Noncurrent assets:			
Property and equipment, net		<u>854</u>	<u>-</u>
Total assets		<u><u>\$ 369,040</u></u>	<u><u>\$ 291,842</u></u>
NET ASSETS			
Net assets without donor restrictions		<u><u>\$ 369,040</u></u>	<u><u>\$ 291,842</u></u>

WOMEN IN MOTION
(A Department of United Way of Greater High Point, Inc.)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Net assets without donor restrictions:	
Public support and revenues:	
Sponsorships and contributions	\$ 219,491
Interest income	<u>2,421</u>
Total public support and revenues	<u>221,912</u>
Expenses:	
Program services	<u>108,153</u>
Supporting services:	
Resource development	30,976
Management and general	<u>5,585</u>
Total supporting services	<u>36,561</u>
Total expenses	<u>144,714</u>
Change in net assets	77,198
Net assets at beginning of year	<u>291,842</u>
Net assets at end of year	<u><u>\$ 369,040</u></u>

WOMEN IN MOTION
(A Department of United Way of Greater High Point, Inc.)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net assets without donor restrictions:	
Public support and revenues:	
Sponsorships and contributions	<u>\$ 182,961</u>
Expenses:	
Program services	<u>85,264</u>
Supporting services:	
Resource development	23,804
Management and general	<u>4,625</u>
Total supporting services	<u>28,429</u>
Total expenses	<u>113,693</u>
Change in net assets	69,268
Net assets at beginning of year	<u>222,574</u>
Net assets at end of year	<u><u>\$ 291,842</u></u>

WOMEN IN MOTION
(A Department of United Way of Greater High Point, Inc.)

STATEMENT OF FUNCTIONAL EXPENSES ⁽¹⁾
Year Ended June 30, 2025

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Totals</u>
	<u>Program Services</u>	<u>Resource Development</u>	<u>Management and General</u>		
Salaries and wages	\$ 23,374	\$ 14,875	\$ 4,250	\$ 19,125	\$ 42,499
Employee benefits	2,669	1,699	485	2,184	4,853
Payroll taxes	1,791	1,140	326	1,466	3,257
Professional fees	268	171	49	220	488
Office expense	741	469	133	602	1,343
Printing	1,084			-	1,084
Information technology	1,753	1,115	319	1,434	3,187
Travel	2,309			-	2,309
Meetings and events	64,041			-	64,041
Advertising and promotions		11,428		11,428	11,428
Staff development	98	63	18	81	179
Depreciation	25	16	5	21	46
Special projects	10,000			-	10,000
Total	<u>\$ 108,153</u>	<u>\$ 30,976</u>	<u>\$ 5,585</u>	<u>\$ 36,561</u>	<u>\$ 144,714</u> ⁽²⁾

- (1) The expenses of Women in Motion are presented on a functional basis to reflect the nature of the department's costs as if it were a stand-alone reporting unit. For purposes of United Way of Greater High Point, Inc.'s financial statements, however, all of the department's expenses are classified as program services. Accordingly, the functional classifications above differ from those in the financial statements of United Way of Greater High Point, Inc.
- (2) Total expenses of Women in Motion differ from the related amounts reported in United Way of Greater High Point, Inc.'s statements of functional expenses due to certain cost allocations made by the United Way of Greater High Point, Inc. to its Women in Motion department that are not directly borne by Women in Motion as a stand-alone reporting unit. Those allocated costs totaled \$18,982 for the year ended June 30, 2025.

WOMEN IN MOTION
(A Department of United Way of Greater High Point, Inc.)

STATEMENT OF FUNCTIONAL EXPENSES ⁽¹⁾
Year Ended June 30, 2024

	<u>Supporting Services</u>			<u>Total</u> <u>Supporting</u> <u>Services</u>	<u>Totals</u>
	<u>Program</u> <u>Services</u>	<u>Resource</u> <u>Development</u>	<u>Management</u> <u>and General</u>		
Salaries and wages	\$ 18,245	\$ 11,610	\$ 3,317	\$ 14,927	\$ 33,172
Employee benefits	2,322	1,477	422	1,899	4,221
Payroll taxes	1,401	892	255	1,147	2,548
Professional fees	207	132	38	170	377
Office expense	1,302	829	237	1,066	2,368
Printing	1,642			-	1,642
Information technology	1,573	1,001	286	1,287	2,860
Travel	426			-	426
Meetings and events	47,761			-	47,761
Advertising and promotions		7,618		7,618	7,618
Staff development	385	245	70	315	700
Special projects	10,000			-	10,000
Total	<u>\$ 85,264</u>	<u>\$ 23,804</u>	<u>\$ 4,625</u>	<u>\$ 28,429</u>	<u>\$ 113,693</u> ⁽²⁾

- (1) The expenses of Women in Motion are presented on a functional basis to reflect the nature of the department's costs as if it were a stand-alone reporting unit. For purposes of United Way of Greater High Point, Inc.'s financial statements, however, all of the department's expenses are classified as program services. Accordingly, the functional classifications above differ from those in the financial statements of United Way of Greater High Point, Inc.
- (2) Total expenses of Women in Motion differ from the related amounts reported in United Way of Greater High Point, Inc.'s statements of functional expenses due to certain cost allocations made by the United Way of Greater High Point, Inc. to its Women in Motion department that are not directly borne by Women in Motion as a stand-alone reporting unit. Those allocated costs totaled \$16,486 for the year ended June 30, 2024.